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SIPDIS

EMBASSY SAN JOSE PLEASE PASS TO CODEL KOLBE

E.O. 12958: N/A

TAGS: [OVIP](#) [PREL](#) [PGOV](#) [ETRD](#) [PHUM](#) [GT](#)

SUBJECT: SCENE SETTER FOR VISIT OF CODEL KOLBE

11. (U) Summary: Your September 27-29 visit to Guatemala comes in the final weeks of Guatemala's heated national election campaign, leading up to the November 9 election of the President, all members of the unicameral Congress and all local government officials. The sometimes violent confrontation between the ruling party (the Frente Republicano Guatemalteco - FRG) and the opposition has fed fears of potential electoral fraud, though USG assistance to the impartial Supreme Electoral Tribunal and the Organization of American States (OAS) election monitoring mission has contributed significantly to ensuring that the election is free and fair. Polls show one of the opposition candidates has a significant lead in the presidential race.

12. (U) The new government, which will take office on January 15, 2004, will inherit an initialized text or final negotiation of a free trade agreement between the United States and Central America (CAFTA). Concluding a free trade agreement with Central America is one of the Administration's highest priorities. Securing effective cooperation from Guatemala in the war against drugs is also a major USG priority, and we have seen major advances in this front in recent months. In March 2003, Guatemala was "decertified" with a vital national interest waiver for failing to cooperate fully in stopping the flow of drugs (mainly Colombian cocaine) through Guatemala to the US. Following this virtual "decertification," the GOG (prodded by us) increased cooperation in practically all areas of the war on drugs -- increasing cocaine seizures from 4 tons in 2002 to over 8 tons so far in 2003; extraditing a Guatemalan national to face justice in the US; signing and ratifying a Counternarcotics Maritime Cooperation Agreement with us; seizing over \$21 million dollars in narcotics assets; and much more. On September 15, 2003, President Bush certified Guatemala as a cooperating partner in the war on drugs in response to this increased cooperation.

13. (U) The protection of human rights in Guatemala continues to suffer from the legacy of 36 years of civil war, which ended in 1996 with the signing of the Peace Accords between Marxist guerrillas and the Guatemalan government. The USG has made promoting human rights and investigating and prosecuting violations committed during the internal conflict a major priority. There have been some advances, but threats against human rights workers continue to impede progress in healing the wounds of the civil war. Your visit will offer the opportunity to underscore for your Guatemalan interlocutors, both in the government and civil society, the importance the United States places on the holding of free and fair elections, the negotiation of a free trade agreement that benefits us all, effective cooperation to stop the flow of drugs through Guatemala and the promotion of human rights. End summary.

National Elections

14. (U) Elections for President, Congress and mayors will be held on November 9, and you will find that the heated election campaign will be foremost on the minds of your Guatemalan interlocutors. There are numerous Presidential candidates, making it difficult for any one candidate to obtain the 50% of the vote necessary to win on the first round. If no candidate wins more than 50% of the vote on November 9, a run-off election will be held on December 28 between the two finalists. Currently the polls show center-right business candidate for the GANA coalition Oscar Berger ahead with roughly 40% of the vote. Center-left candidate Alvaro Colom and the populist candidate for the ruling FRG, former General Efraim Rios Montt, are disputing the second place with between 13 and 18% of the vote. The candidacy of former de facto President Rios Montt (who headed a military junta in 1982-1983) has added a great deal of controversy to the election as there is a Constitution prohibition against it. Rios Montt used his position as President of Congress during these past four years and head of the ruling FRG to stack the Constitutional Court with his supporters, thus ensuring that the high court ruled in favor of his candidacy by the narrowest of margins. The decision unleashed a firestorm of protests by the opposition and the media, but ultimately the decision stood as the Constitutional Court is the highest court in the land and its decisions can not be appealed.

15. (U) The participation of Rios Montt in the election and the high levels of political violence (twelve mayoral or city council candidates and party activists have been killed so far) have increased public concerns that the ruling party may engage in electoral fraud. Guatemala has a good electoral law and an independent and respected Electoral Tribunal, greatly reducing the probability that fraud will be significant. The USG has invested resources to strengthen the technical ability of the Electoral Tribunal to carry out free and fair elections, and we are providing most of the financing for the OAS election observation mission, which will blanket the country in the weeks leading up to the election and on election day. The Electoral Tribunal is getting out the message on TV and radio, in Spanish and in the Mayan languages, that "your vote is secret." While it will be hard to overcome the popular perception that fraud will be committed in the elections, we believe the process will be transparent.

Free Trade (CAFTA)

16. (U) Your visit will also coincide with the final stages of the negotiation of a free trade agreement between the United States and Central America. The Administration has made the conclusion of a free trade agreement with Central America one of the highest priorities in our relationship with the hemisphere. The region currently benefits from unilateral trade concessions under the General System of Preferences (GSP) and the Caribbean Basin Initiative (CBI), but a free trade agreement would give us similar access to Central American markets in exchange for making their access to the US market permanent. It will also strengthen and clarify the rules for trading, investing and resolving business disputes in the region, eliminating some of the arbitrary practices that have impeded investment and growth. We believe a free trade agreement between the US and Central America will spur economic growth in the region, giving them a greater capacity to buy our products and diminishing the incentive for immigration. There are currently an estimated 1.5 million Guatemalans living in the United States, most without legal status. Remittances by Guatemalans living in the US to their relatives in Guatemala will reach almost \$2 billion in 2003, generating more foreign currency for Guatemala than exports of coffee, sugar and tourism combined.

Counter-Narcotics Cooperation

17. (U) Guatemala is a major transit country for drugs (mainly Colombian cocaine) heading to US markets. Over a 100 tons of cocaine are estimated to transit through Guatemalan land, waters or airspace every year. During the first years of the administration of President Alfonso Portillo, the GOG did not make cooperation in the war on drugs a high priority, and containing the transit of drugs through Guatemala suffered markedly. In March 2003, President Bush certified to Congress that Guatemala was not fully cooperating in the war on drugs, but extended a vital national interest waiver to Guatemala in order for us to continue critical USG assistance programs in the area of child nutrition, protection of the environment and human rights. This virtual "decertification" led the GOG to improve its cooperation with us in the war against drugs, and in the ensuing six months the GOG doubled cocaine seizures; extradited a Guatemalan national to the US to face felony murder charges; signed and ratified a Counternarcotics Maritime Cooperation Agreement with us; passed asset forfeiture legislation; seized over \$21 million in narcotics assets; totally reorganized the special counternarcotics police; and much more. As a result of the GOG's enhanced cooperation, on September 15 President Bush certified to Congress that Guatemala is once again a cooperating partner on the war on drugs. We are continuing to engage with the GOG to ensure that counternarcotics cooperation levels are sustained in the remaining months of the Portillo Administration, and have made this a major element in our dialogue with the presidential candidates in the upcoming elections.

Human Rights

18. (U) The end of the 36-year armed internal conflict in 1996 put an end to the most egregious human rights violations in Guatemala, but left a legacy of violence and impunity that persists today. Human rights organizations that are trying to prosecute human rights violators from the conflict period have been threatened and several have been killed during the past two years. The USG has made protection of human rights workers and promotion of the rule of law a major USG objective in our relationship with Guatemala. The Ambassador has personally attended the major human rights trials and made numerous public statements in support of the beleaguered human rights community, as well as using every private meeting with government and military leaders to raise our concerns about the continuing threats. We have supported the creation of an international commission (made up of the UN, OAS and Guatemalans) to investigate the operation of clandestine groups in the country, for the purpose of

prosecuting those who are threatening human rights workers.

Comment

19. (U) Your visit offers an important opportunity to convey to Guatemalans, both in the government and in civil society, the priority the United States places on working with Guatemalans to strengthen their emerging democracy. At this juncture in Guatemala's history, the key to success will depend to a great extent on the holding of free and fair elections, the negotiation of a free trade agreement with us, clamping down on the transit of narcotics through the isthmus and the effective promotion of human rights. We welcome your visit and look forward to the chance to brief you more fully on these issues on your arrival.

HAMILTON